

1 AN ACT concerning taxes.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Illinois Income Tax Act is amended by  
5 adding Section 213 as follows:

6 (35 ILCS 5/213 new)

7 Sec. 213. Dependent care tax credit.

8 (a) Beginning with taxable years ending on or after  
9 December 31, 2001 and ending with taxable years ending on or  
10 before December 30, 2006, each individual taxpayer is  
11 entitled to a credit against the tax imposed by subsections  
12 (a) and (b) of Section 201 in an amount equal to \$500  
13 multiplied by the number of applicable individuals with  
14 respect to whom the taxpayer is an eligible caregiver for the  
15 taxable year.

16 (b) As used in this Section, "applicable individual"  
17 means, with respect to any taxable year, any individual who  
18 has been certified, before the due date for filing the return  
19 of tax for the taxable year (without extensions), by a  
20 physician licensed to practice medicine in all its branches  
21 under the Medical Practice Act of 1987 as being an individual  
22 with long-term care needs described in subsection (c) for a  
23 period:

24 (1) which is at least 180 consecutive days, and

25 (2) a portion of which occurs within the taxable  
26 year.

27 (c) As used in this Section, an individual is an  
28 individual with long term care needs if the individual meets  
29 any of the following requirements:

30 (1) The individual is at least 6 years of age and:

31 (A) is unable to perform (without substantial

1 assistance from another individual) at least 3  
2 activities of daily living, as defined in Section  
3 7702B(c)(2)(B) of the Internal Revenue Code, due to  
4 a loss of functional capacity, or

5 (B) requires substantial supervision to  
6 protect that individual from threats to health and  
7 safety due to severe cognitive impairment and is  
8 unable to perform at least one activity of daily  
9 living, as defined in Section 7702B(c)(2)(B) of the  
10 Internal Revenue Code, or is unable to engage in age  
11 appropriate activities.

12 (2) The individual is at least 2 years of age but  
13 less than 6 years of age and is unable due to a loss of  
14 functional capacity to perform (without substantial  
15 assistance from another individual) at least 2 of the  
16 following activities: eating, transferring, or mobility.

17 (3) The individual is under 2 years of age and  
18 requires specific durable medical equipment by reason of  
19 a severe health condition or requires a skilled  
20 practitioner trained to address the individual's  
21 condition to be available if the individual's parents or  
22 guardians are absent.

23 (d) A taxpayer shall be treated as an "eligible  
24 caregiver" for any taxable year with respect to the following  
25 individuals:

26 (1) The taxpayer.

27 (2) The taxpayer's spouse.

28 (3) An individual with respect to whom the taxpayer  
29 is allowed an exemption under Section 204 for the taxable  
30 year.

31 (e) Persons eligible to claim credit.

32 (1) If more than one individual is an eligible  
33 caregiver with respect to the same applicable individual  
34 for taxable years ending with or within the same calendar

1 year, a taxpayer shall be treated as the eligible  
2 caregiver if each of those individuals (other than the  
3 taxpayer) files a written declaration (in the form and  
4 manner as the Department may prescribe) that that  
5 individual will not claim that applicable individual for  
6 the credit under this Section.

7 (2) If each individual required under subdivision  
8 (e)(1) to file a written declaration under subdivision  
9 (e)(1) does not do so, the individual with the highest  
10 federal modified adjusted gross income (as defined in  
11 Section 32(c)(5) of the Internal Revenue Code for federal  
12 purposes) shall be treated as the eligible caregiver.

13 (3) In the case of married individuals filing  
14 separate returns, the determination under this subsection  
15 (e) as to whether the husband or wife is the eligible  
16 caregiver shall be made under the rules of subdivision  
17 (e)(2) (whether or not one of them has filed a written  
18 declaration under subdivision (e)(1)).

19 (f) No credit shall be allowed under this Section to a  
20 taxpayer with respect to any applicable individual unless the  
21 taxpayer includes the name and taxpayer identification number  
22 of that individual, and the identification number of the  
23 physician certifying that individual, on the return of tax  
24 for the taxable year.

25 (g) The taxpayer shall retain the physician  
26 certification required by subdivision (b) and shall make that  
27 certification available to the Department upon request.